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NBC BRIEFING

2 January 1957

SITUATION IN THE SATELLITES

- I. Eastern Europe now relatively quiet. Even in Hungary people have stopped demonstrating and general strike is over. But appearances deceptive and--at least in Hungary and Poland--apparent calm no more than skin-deep.
- II. In Hungary, Kadar regime has little hope of garnering public support.
 - A. Token concessions will be of little value in gaining support and continued equivocal policy may actually spur resistance.
 - B. Regime, fully aware of almost total lack of support, playing down in press use of terror tactics but doing best to rebuild communist party around hard core disciplined members. (Party now has fewer than 100,000 members, according Moscow--compared to more than 550,000 prior to the revolution.)
 - C. Hungary's economic situation disastrous. Attitude of workers, dislocation caused by work stoppages and extreme shortages raw materials and fuel are all serious problems.
 1. Soviet loan of \$20 million--in foreign exchange so that purchases can be made in West--announced on 20 December, but regime indicated \$400 million in aid needed in near future.

3
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-2-

III. In Poland, Gomulka's prospects also hazardous: his over-all-control of party and economy weak.

A. Gomulka's popular support contingent upon ability out-play USSR and improve economic situation.

B. Soviets apparently not to intervene militarily against Poland at this point, except in event of emergency.

1. Probably feel that, at the moment, no alternative to accepting and accommodating Gomulka.

C. Thus USSR willing, for a time, to bolster Gomulka's regime by economic aid, agreeing to give Poles voice in Soviet troop disposition.

D. Chances at least even, however, USSR will be forced try to dump Gomulka and restore pre-Soviet "Natolin" group or watch its control Poland slip away completely.

IV. Elsewhere in Satellites, where period of high tension and unrest at least temporarily over, calm is deeper, but nonetheless deceptive. Reflecting considerable uneasiness, Satellites have reacted in concert to heightened popular discontent.

A. Unusual security precautions—including arrests—instituted.

-3-

- B. Satellite echoed Soviet line on Hungarian "counter-revolution" and stepped up attacks on West.
- C. Adulation of USSR also stepped up throughout other Satellites.
- D. Regimes now using propaganda tactics designed cut Polish and Yugoslav influence.
 - 1. 21 December East German-Czech communiqué specifically condemned "national" Communism.
 - 2. East German press has attacked Polish regime.
 - 3. Strong language against Yugoslavia from Bulgaria and Albania.
- E. Satellites have coupled harsh measures and tough talk with a form of economic bribery--lowering prices, and granting higher wages.
- V. In background has been clear Soviet call for increased unity within Soviet Bloc. "Proletarian internationalism," euphemism for subservience to Moscow, now leading slogan.
 - A. Half-formed Soviet policy allowing Satellite parties greater freedom, greater responsibilities, scrapped--at least temporarily--as unworkable and dangerous.
 - B. This--not full return to Stalinism since USSR has increased economic aid to Satellites and pays lip service to "national sovereignty"--represents change in Soviet line not adopted as matter of free selection but forced on Moscow by pressure of events.

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